

Twin Rivers Unified School District

Lack of Trust + Lost Opportunities = Children's Loss

Introduction

The Sacramento County Grand Jury, responding to complaints against the Twin Rivers Unified School District (TRUSD or Twin Rivers), voted to conduct an investigation of the district. The investigation included gathering historical information on the unification process, studying the content of Measure B (the unification ballot measure), and reviewing the actions of the new district over the last three years.

The concept of unification brought high hopes and expectations to the residents of the four districts to be merged. These hopes included overcoming hostilities among the districts, especially towards Grant Joint Union High School District (GJUHSD or Grant). The expectations included the promises to have a streamlined administration, more funds in classrooms, articulated pre K–12 curriculum and additional state funds coming to the district. The students and families of the new district looked forward to benefiting from the unification.

The grand jury interviewed many witnesses involved in the unification process, including current and former administrators and staff from the four unifying districts and all members of the Twin Rivers Board of Trustees. Also interviewed were community leaders and parents. The grand jury reviewed a wide variety of documents including contracts, board minutes, correspondence and emails. Financial records and reports were also analyzed. Some witnesses and documents were subpoenaed.

The results of the grand jury investigation gave its members cause to consider the time-consuming process to unify school districts, and the requirements of leadership skills and mind-set to promote this process. These conditions, combined with the historical economic downturn of our state, dashed the hopes and expectations raised by the unification of the four school districts.

The investigation of Twin Rivers brought to light the fact that the unification process described in Measure B provided for a physical unification of four school districts, but not for the unification in spirit, overall goals, commitments or keeping the primary focus on the children. The community did not unite as anticipated.

Issues

1. Has TRUSD lived up to the promises made for unification in Measure B?
2. Have past conflicts clouded decisions made by the current administration and the board of trustees?
3. Has TRUSD shown fiscal responsibility?
4. Has TRUSD delivered the benefits anticipated in the passage of Measure B to the community and the children?

Reason for Investigation

Complaints from citizens triggered the investigation of Twin Rivers. Throughout the investigation, the grand jury learned of the disappointing outcomes of the unification process. There have been incidents of misplaced inventory and a stopped school building project previously approved by voters. There are lawsuits that cost more than they are worth, unfunded liability growth and spending that appears out of control. Animosity and dissension continue to plague the Twin Rivers school district.

Method of Investigation

1. The grand jury conducted interviews with all of the current TRUSD board members, former school district board members, past and present superintendents, various educational consultants, community leaders and parents.
2. Documents reviewed and analyzed included board meeting minutes, contracts, bond measures, copies of court records, budgets, financial statements, expense reports and emails.
3. On site visits to some district properties were made.
4. DVD's of board meetings were viewed.
5. Internet research was conducted.

Background and Facts

Measure B

After seven failed attempts in the last 65 years to unify various school districts in the north area of Sacramento County, Measure B qualified to be on the ballot. Past unification attempts point to deep and longstanding community divisions, perceptions, experiences and historical events. Many comments and concerns have been expressed regarding racial issues in the community. The unification measure proposed in 2004, before Measure B was offered, was seen as dividing the community in half both racially and economically. It was not accepted by the California Department of Education and never became a ballot measure. Past unification attempts point to the problematic history of the Grant district and the continuing negativity towards Grant.

There were two parts to Measure B. One part was to decide if four school districts would unify into one new pre K–12 district. The second part of Measure B was to elect one trustee for each of seven areas for a new board if Measure B passed. If Measure B was passed by the voters, the unification would be effective on July 1, 2008. In the November 2007 election, Measure B passed with 60 percent of voter approval.

Measure B created a new pre K–12 school district through the unification of four school districts. Three of the districts were elementary districts: the Del Paso Heights Elementary School District (grades K–6), the North Sacramento Elementary School District (grades K–7), and the Rio Linda Union School District (grades K–8). The fourth school district to be part of the unification was the Grant Joint Union High School District with grades 7–12.

Two small elementary districts in the area, Elverta Joint Elementary School District (grades K–8) and Robla Elementary School District (grades K–6), voted to remain independent school districts and not to be included in the unification proposal. Measure B allowed for students from these two districts to send their students to secondary schools in the newly unified district. Registered voters in these two districts were eligible to vote on Measure B.

Measure B stated the new district would be called North Area K–12. The new governing board was to determine its name and select the first superintendent. The Superintendent of the Sacramento County Office of Education (SCOE) was to serve as a temporary, interim superintendent. Boundaries would remain the same as the Grant district. Further, no students would be required to change schools.

If the measure passed, employees from the four districts were to become employees of the new district. The Education Code has provisions for unification not to impact employee rights, job classifications, salaries or benefits of employees.

Voters who lived in the Measure B area were encouraged to be informed and to vote in this election. Community leaders formed a committee to support the measure and held fund raising events to support their activities. Various civic organizations held forums to inform voters.

Arguments in favor of Measure B included reducing bureaucracy, lowering administrative costs, and putting the savings into classrooms. Another argument in favor stated passage of the measure would create one streamlined administration, one district superintendent and one school board with seven elected members. Students were to benefit from the measure by having a coordinated pre K–12 curriculum along with educational programs to better prepare them for college and careers.

There were also arguments opposing Measure B, but no organized opposition committee. One argument against the measure was the risk of creating a very large school district of approximately 30,000 students. A second argument against the measure was concern the creation of one massive bureaucracy would take away local control from communities. Another argument claimed Measure B was not the reform sought for the public schools in this area.

Despite the promise to spend less money on administration, more than two years after the formation of Twin Rivers, the number of high level administrators, directors and supervisors employed by Twin Rivers is considerably higher than the number of similar positions in other large school districts in Sacramento County. The Twin Rivers organization plan, developed by a consultant, is to substantially reduce the number of administrative positions. This plan will take several years to implement and each change will be disruptive to staff and programs.

In March 2008, after unification Measure B was passed by voters, the Grant board offered severance packages to ten administrators in return for early termination of their contracts. This was presented as a way to avoid the perception of redundant administrative staff at the central office level. The severance packages included 18 to 24 months of the administrators' salaries. The superintendent of SCOE refused to accept this action. A lawsuit between SCOE and the Grant board resulted. A Sacramento

County Superior Court judge's ruling in favor of Grant's action was overturned by a state court of appeals ruling. It is unclear whether this decision will be appealed to the California Supreme Court. However, several of the former Grant administrators involved have filed additional lawsuits to get their job rights reinstated.

Vigorous concerns remain about the hiring process and practices used by Twin Rivers to hire administrators. Administrators were hired, both formally and informally, ahead of application deadlines and without job postings. These actions eliminated many Grant applicants. Several Grant administrators stated they were "not taken seriously" and personnel decisions were spiteful towards Grant employees, fueling an ongoing feud. The senior Grant district administrators who stayed on at Twin Rivers after unification under Education Code provisions, found it difficult to work in an atmosphere of being "forced out." Jobs assigned to these experienced administrators required skills far below their professional capabilities. These jobs included filing papers in a remote office and installing playground equipment.

According to the Twin Rivers organization chart dated August 19, 2008, seven of the top 12 administrators were from the Rio Linda district. The Education Code, such as sections 35555 and 55556(a), provides that unification will not affect the rights of both certificated and classified employees. Considerable time and effort have been spent to prepare accurate seniority lists. After two years, the accuracy of these lists continues to be challenged by employees and some employees continue to "float" on temporary assignments until their seniority status is determined. Meanwhile, the district has had difficulties merging equipment inventories from the computer systems of the four merged school districts. After being in operation for over two years and having experienced administrative help available, the district has not yet taken a complete physical inventory of all of its equipment. A physical inventory is scheduled for the summer of 2011.

As adjustments are made to reduce the number of administrators, and reassignments are made, concerns are ongoing regarding the perceived favoritism toward former Rio Linda administrators. According to testimony to the grand jury, there is a perception of racial bias affecting African American staff. Their reassignments, changes in job duties, and demotions are often viewed as "punitive" and racially motivated. Furthermore, some witnesses believe that African Americans are best equipped to "close the achievement gap" of their children.

The unification proposal included a provision that all the property, obligations, and bond indebtedness of the four existing districts would become part of the new unified school district. According to Measure B voter information, the reorganization would not raise local taxes. After the passage of Measure B, all of the taxpayers in the district received notices from the County of Sacramento that property taxes and bond repayments would be levied on all taxpayers for the bond debts from the two elementary school districts. The residents of the Del Paso District had not passed any general obligation bonds, yet were taxed for bonds from the North Sacramento and Rio Linda districts. These residents had property tax bills increase for the bonds approved by other school districts. A Del Paso Heights resident testified to the grand jury that his taxes increased \$80 per year.

As the issue was not resolved locally, both Sacramento County and Twin Rivers presented briefs to the Attorney General asking for an opinion on this matter. In late December 2010, the Attorney General's office issued an opinion concluding that under the Education Code, Sacramento County had the right to levy taxes on all taxpayers in the newly formed district and the state constitution allowed such levies. Whether or not the statements in the voter pamphlets distributed during the campaign which stated, "... the new district reorganization will not raise local taxes..." misinformed the voters of the "...ramifications of the creation of the district..." it is up to the aggrieved voters to decide whether they want to pursue other avenues of relief. The Attorney General stated that it is beyond the scope of his opinion in this case. (A complete copy of this decision can be found at ag.ca.gov/opinions search opinions 09-305.)

Measure B proposed the new school district would be comprised of 54 campuses that would cover 120 square miles and would be governed by a seven member board. Members would be elected at the same time as the unification vote. The proposed district was divided by officials from SCOE into seven areas to provide representation for every part of the district. One board member who resided in an area would be elected as its representative. The candidates were voted on by registered voters of the entire proposed school district. The initial term of the trustees for the proposed school district was stated in Measure B. The initial term was to be four years, unless the governing board consolidated the election of board members with the statewide general election. If this were to happen, the term of the board members would be three years. Board members elected at this next board election were to have two-year terms if they represented even-numbered district areas or four-year terms if they represented odd-numbered district areas.

As the election was held in November 2007, it was assumed the initial term for all seven board members would end in November 2011 unless the board voted to consolidate with the next statewide election in November 2010. A document with election options was presented to the Twin River Board of Trustees at the March 11, 2010, board meeting. This document was prepared by administrators, the attorney for Twin Rivers, and another legal firm. There were legal, financial and operational implications presented with each choice. Under the Education Code, there were three dates available for the next election. Costs for the election varied from \$70,000 to \$450,000 among those dates, as did the length of time the new board members would serve.

By a 5-2 vote, the board voted to hold the next election in November 2012, the most remote date available. This decision meant that board members would serve for four years and four months rather than the four years specified in Measure B. It also reflected the board's position that it had no operational authority until July 1, 2008, and that the previous four districts had full authority until that time. Yet the new board members were sworn into office in December 2007, met regularly up to July 1, 2008, and made many important decisions including hiring a new superintendent. Counting this time period meant the board would essentially serve for almost five years. Witnesses expressed their concerns that the decision to lengthen the time board members would serve was really no different from school board practices of the past which were often viewed as self-serving. Another concern was that each area in the district did not have

true representation, in that each board member was elected by all district residents, not just the residents of the area to be represented.

The Twin Rivers Board of Trustees, the high level administrators and the community are struggling to identify, refine and implement a multitude of unification visions, expectations, and decisions. A major impediment is lack of trust. There is great confusion in perceptions regarding the district's responsibility to provide equity (meaning meeting individual needs) compared to providing equality (meaning providing the same for everyone). Community members complain the needs of the groups they represent are not being heard, concerns are not sufficiently addressed, and board decisions are not focused on the needs of children and their families. Measure B promised more resources to be spent in the classrooms. Students were to have a single, articulated curriculum from preschool through 12th grade. After more than two years, the promised curriculum has not been provided.

No Twin Rivers school board member has experience in K–12 district leadership. Two members were elected to the Twin Rivers' board without any school board experience. Three board members were board members in elementary districts. Two board members, with many years of experience as board members in other elementary districts, are reported to dominate the Twin Rivers' board meetings and decisions. Testimony to the grand jury consistently shared strong perceptions that the two board members, with many years of experience, are “running the show” along with the attorney for the district. The other board members were described to the grand jury as “generally nice people” who are “followers” and have “no backbone.”

Ongoing dissention and negativity between members of the Twin Rivers board have been clearly documented. Witnesses testified to the grand jury that both open and closed sessions of the board are sometimes contentious. Board orientation and training sessions have been held. In addition, workshops were given to board members at no charge by a professional association. The purpose of these workshops was to develop a vision-led and cohesive community-spirited board, yet the dissention and negativity continue. Remarks and feelings of victimization by one board member interfere with the role and responsibilities of the school board. These actions occur frequently at board meetings in front of staff and the public. Board meetings are opened with a statement of expected protocol. In January 2011, after more than three years as a governing body, the board began a meeting with a presentation on the history of Robert's Rules of Order. This 20 minute presentation, given by a board member, included the benefits of adhering to the rules and the process used to make and adopt motions. Within minutes of this presentation another incident of dissention and negativity occurred. More training on Robert's Rules of Order is planned.

Members of the grand jury attended a Twin Rivers School Board meeting January 11, 2011. At the meeting, the superintendent submitted a redacted invoice for \$7,500 for personal legal expenses. The board approved this expenditure without comment. The superintendent indicated that his professional association paid an additional \$1,400. This divisive issue continues to be unresolved and it is expected that more legal fees will be requested by the superintendent in the future. The general fund is being used to pay these expenses.

Measure B was a historic unification project. The four superintendents of the unifying districts, and the succeeding interims in two of the unifying districts, had varying levels of involvement with the transition planning for the new district. The grand jury found the qualifications desired for a new superintendent were discussed by transition team members from the four districts, by community members, and by various consultants. The qualifications listed by transition team members, especially those from Grant, included a record of successful innovation, K–12 experience, new school construction experience, fresh approaches to educational leadership, and a neutral position in the area’s historical and current political tensions. To find the best candidates, a nationwide search would be common practice. Testimony to the grand jury from a consultant included that, at a minimum, the interim superintendent would have had previous experiences with unification, and, at best, the new superintendent would have such experiences.

The community also had a list of desirable qualifications for the new superintendent. According to testimony to the grand jury, this was especially true of minority communities. Testimony indicated these communities felt “assured,” or it was an “agreed on,” plan that an outside superintendent search would be done and there was no “in house” preference for a local superintendent. Testimony revealed a desire for a new superintendent that “looked like them” was a first choice but as a second choice, a desire for a superintendent that would not intimidate them. Community members were aware of local superintendents and were very aware of the new superintendent’s strong dislike for everything in and about the Grant district.

In strong contrast to these desirable qualifications for a new superintendent, the Twin Rivers board had a vastly different list of qualifications. The board was not interested in trying to interview candidates and taking a risk on a person who might interview well but not perform well and then need training. Testimony to the grand jury included the board wanting a superintendent they knew, they felt the community knew and was active in the community. Although the appointed superintendent was well known to the Rio Linda community, he had little or no contact with the other districts’ communities, which made it difficult to remain neutral in this unification. In addition, the board did not consider experience in the secondary level or with school construction to be important qualifications.

Without any nationwide search, or even a statewide search, the newly formed school board on December 4, 2007, quickly appointed the superintendent of the Rio Linda district, one of the four merged school districts, as interim superintendent and then superintendent. The superintendent’s career has been solely in elementary school districts. Repeatedly, the grand jury heard that leading a pre K–12 district requires a vastly different set of skills. The relationship between the new superintendent and the former superintendent of Grant has been described as a constant conflict and as being very unpleasant, at best. The new superintendent has no new school construction experience. The new district has enormous and complex issues with the halted construction of the East Natomas Education Complex (ENEC).

According to Measure B voter information, in 2006-2007 the combined enrollment of the four districts involved in Measure B was 30,713. The enrollment number was regarded as very stable since 2001-2002 when the combined number was 30,553. Little change in

enrollment was expected for the next few years. Using this enrollment information, it was anticipated with the passage of Measure B there would be about an eight percent increase of the revenue limit per pupil as calculated by the California Department of Education. This increase would add approximately \$12.5M in total revenue funding annually. The state's support of funding for the proposed new district was expected to continue at levels comparable to those provided to unified school districts of similar size and characteristics.

The state's recent and drastic economic downturn has resulted in budget cuts to state funds given to school districts and delayed payment of funds. Twin River's budget has been impacted by both of these changes. In addition, the new district continues to lose secondary students who choose charter schools or high schools outside the district. This continues a previous pattern resulting from community perceptions of the quality and quantity of educational programs provided by Grant high schools along with ongoing student safety concerns. The loss of these students impacts the district's budget. A coordinated effort is being made by district administrators to retain students using information on test score improvements and new program offerings.

Measure B promises and benefits included having a unified district wide pre K-12 curriculum. After almost three years of unification efforts, this has not happened. In the history of all these unifying districts, finger pointing between the elementary level and the secondary level was very common and focused mainly on student academic preparation and success. While curriculum alignment is being attempted using currently available materials from the four districts, new textbooks with articulated curriculum have not been purchased as anticipated. Inadequate funds have been given as the reason for this decision.

It was reported to the grand jury that in the elementary grades the teachers use scripted language arts and math materials. The focus of teaching is to raise state test scores. Elementary report cards heavily focus on reporting the content standards for these two areas while science and history are ignored in elementary schools and on report cards. Parents have dreams and expectations for their children to go to high school and to college and they know these two subjects are vital. On behalf of the parents and children of a unified school district, the grand jury must ask how the lack of science and history at the elementary grades prepares students for middle school curriculum, and then prepares students for high school curriculum and adopted high school graduation standards.

It was reported to the grand jury that currently the majority of teachers in grades 7-8 have Single Subject Teaching Credentials that allow them to teach in grades 7-12. Single Subject Credentials are used for subjects such as algebra, history, physical science, biology, foreign languages, and career/technical education. Should the district decide to use only teachers with the K-8 Multiple Subject Teaching Credentials, there is great concern about the quality and content of high school preparation classes in grades 7 and 8. This contemplated action has caused additional concern for the former Grant teachers who have single subject credentials. Adding to their stress is the uncertainty of our state budget and issuance of yearly pink slips.

East Natomas Education Complex

Anticipating student population growth within its district, Grant Joint Union High School District undertook an ambitious plan to develop a new, combined junior high and senior high school campus, later named East Natomas Education Complex. To support this new campus and renovation of existing facilities, voters approved Measure G in June 2006. In January 2007, Grant entered into a contract to design and build ENEC.

Circumstances changed. The Federal Emergency Management Agency (FEMA) re-designated the flood risk status of the Natomas basin, resulting in a building moratorium. The economy began to enter the current recession. The expected growth in student population did not occur.

As a result of the passage of Measure B in November 2007, Grant was combined with three elementary school districts to form the Twin Rivers Unified School District. Following unification of the new district July 1, 2008, Twin Rivers decided to slow construction and eventually shut down the ENEC project.

Grant, assisted and advised by California Financial Services (CFS), believed that its school district area would continue to develop and grow. Grant determined that a new, state of the art, combined junior high and senior high school would be needed. The district decided to construct the new school complex on property just outside the city limits of Sacramento and name it the East Natomas Educational Complex. This would be the first new high school to be built in that district in 50 years.

In mid-June 2004, Grant entered into two contracts for the purchase of approximately 69 acres of property in the Natomas basin for the ENEC project, for approximately \$13M. In September 2006, Grant approved purchase of an adjacent 7.5 acre parcel for the project, costing approximately \$3M. On June 6, 2006, district voters approved Measure G in the amount of \$230M of general obligation bonds to fund certain priority school modernization, improvement, expansion and new construction projects. Grant established a Measure G oversight committee (OC) and \$159M was earmarked for the construction of the new school complex.

In spite of having approval from county and state oversight agencies, having assurances for state construction funding, having a new phased building approach, having special legislation passed for limited site occupancy, and having a partially completed site, the Twin Rivers School Board decided to stop construction of ENEC. This decision appears to have had little public input or awareness. Testimony to the grand jury demonstrated many people have alternative ideas for the site, such as a medical center, community college campus or business office. The most common idea expressed was to use the site for the district office.

Grant anticipated that state matching funds were available to complete these projects. Based on assurances the required funding was available, Grant moved forward with construction plans and entered into a design/build contract with McCarthy Construction in January 2007 to build the new school complex. Site preparation was begun in December 2007. The project proceeded despite FEMA's planned re-designation of the flood risk status in the Natomas basin (this information was published in the *Sacramento Bee*, January 2007) and the passage of Measure B. The FEMA decision resulted in a

building moratorium which altered the expected growth and student population numbers in the area.

In November 2007, voters approved Measure B which established a new school district effective July 1, 2008, composed of three elementary school districts, Del Paso Heights, North Sacramento and Rio Linda, and Grant High School district. Grant school district proceeded with the ENEC construction as the project had already been started and signed contracts were in place. Former Grant administrators testified that extensive briefings had been given to Twin Rivers, including the interim superintendent, regarding the ENEC construction project.

After TRUSD was officially established July 1, 2008, the contract with McCarthy Construction was amended to allow implementation of a phased approach to the ENEC construction project. The district superintendent sought special legislation. California Assembly member Roger Niello introduced AB 916 which was passed in September 2008. This legislation allowed TRUSD to occupy a portion of the ENEC project without jeopardizing future eligibility of TRUSD for state facility funding for the purpose of constructing and completing ENEC. AB 916 included a 2016 sunset provision.

As time progressed and continued assessments of the ENEC project were made, the Twin Rivers Board of Trustees, on the recommendation of the district superintendent, chose to shut down construction of the ENEC project rather than continuing with the phased approach. Due to contractual obligations, the estimated cost to shut down the project was approximately \$60M. TRUSD subsequently filed a \$94M lawsuit against CFS, (the first lawsuit in its history against this firm as stated by the president of the firm), claiming that continuing the project resulted in TRUSD being faced with millions of dollars of unfunded debt obligations.

Decisions to plan and build ENEC were based on student population and area development projections. Conflicting estimates regarding the number of students that would attend the new high school existed. School Works Company provided a generation factor and projected the new school would be needed. CFS relied on this data projection in planning for ENEC. The CFS consultant has maintained that all of the projections were accurate, and estimated that approximately 600 students at Natomas High School, who resided in the Grant school district, might transfer back to Grant-ENEC. Twin Rivers' consultant, SAGE Institute, maintained that Grant inflated the estimates. The proposed ENEC project was approved by various county and state agencies, such as SCOE, CA State Architect and CA Department of Education. The Dolinka Group made development fee projections. McCarthy Construction and the architect provided design and estimates. CFS indicated that independent audits confirmed the available money. However, if the Twin Rivers accusation was correct that the projected student attendance was inflated, the state might have stopped the ENEC project.

A meeting was held May 15, 2008, by the OC to review expenditures and receive status updates for work authorized by voters to address the school facilities. Subsequently, the president of the OC advised the new school board that the OC wanted it on record that the committee supported the voters' decision and recommended TRUSD complete the full scope of the ENEC project.

While Twin Rivers decided to stop the construction of ENEC, the expenses to this project have not stopped. In addition to the enormous closure expenses and the ongoing legal fees, expenses are accumulating for large administrative costs, ongoing costs for security cameras and monitoring, lights, utilities and fencing. For example, security and utilities are reported to cost \$12,500 per month, almost half a million dollars over the last three years. These are continuing monthly costs expected to be borne by the district.

According to evidence presented to the grand jury, several months ago two employees from the school district contacted one of the ENEC subcontractors; however, no further contact has been made by the district with the subcontractor. This subcontractor claims the district has unpaid storage and insurance costs, as of April 1, 2011, of over \$132,000 and continuing monthly storage and insurance costs of over \$3,000.

According to evidence provided by a subcontractor, the ENEC project was to take three years to complete, with one year planned for the design of the project and two years for construction. Twin Rivers' decision to stop construction of ENEC caused legal and financial problems for many subcontractors. While some subcontractors were paid, other subcontractors were not paid. Evidence shared with the grand jury shows the district has been asked to proceed with a streamlined alternative dispute resolution process under the contract so claims can either be resolved or the litigation can proceed. The district has not agreed to this request but wants to have a multi-step dispute resolution process before litigation in court may move forward. The district has been delaying this multi-step resolution process.

Animosity, dissension, arguments and litigation took precedence over the vision of building an education complex for the future. There is no definitive plan by Twin Rivers regarding the outcome of the stopped, partially completed ENEC project. The funds spent to shut down ENEC and the ensuing lawsuit could have been more appropriately used for the benefit of the students. When interviewed, the Twin Rivers School Board members and superintendent all expressed opinions that the ENEC project would probably be completed sometime in the future, that future varying among them from a few to many years. What will the cost be to complete and open ENEC in the future?

Surplus Property

When property is no longer needed in a school district it is declared surplus. In its last year of existence, Grant ended two programs and much of the property associated with these programs became surplus. These programs were the Maritime Academy and the Disaster Preparedness Program. In an effort to dispose of this property prior to the July 1, 2008 unification date, Grant employees did not follow all procedures outlined in the Education Code. Upon unification, Twin Rivers chose to file a civil lawsuit seeking to reclaim the property.

Maritime Academy

In 2003, Grant established a maritime academy to allow high school and adult education students the opportunity for hands-on learning to supplement classroom instruction. To get this program up and running, the school district acquired two large vessels from the United States military: the *Phoenix* (a 65 foot pilot boat) and the *Brute* (a 50 foot work boat).

While these boats were donated, the program was by no means without cost. During a four year period, the Grant district poured large sums of money (some estimates are as high as \$600,000) into these boats for paint, repairs, and upgrades. At least one of these boats was docked on the Sacramento River. The dock was leased from the City of Sacramento for a nominal fee. In exchange, the school district was responsible for modifications and maintenance to the dock. Costs for this have been estimated to be in excess of \$250,000.

Every opportunity was given for this to be a state of the art vocational academy. Unfortunately, it could not attract enough students and the program was shut down.

Disaster Preparedness Program

During a disaster, it is common practice to house displaced residents in gymnasiums or multipurpose rooms of local schools. The superintendent of Grant felt strongly that the school district had a responsibility to be prepared in the event of an emergency and undertook many things beyond housing. The district contracted with a retired military person to search for items the district might use in its disaster preparedness program. This person brokered several items of surplus military property for Grant. The district paid anywhere between zero and ten percent of the value of the item. These items included generators, cranes, trucks, buses, ambulances, aluminum boats, portable laundry facilities, sleeping bags, and inflatable rafts. Some items were in usable condition but many had been cannibalized and were in need of significant repair. Some items may have been acquired for parts. The equipment acquired for the emergency preparedness program was housed at the Grant district warehouse on Winona Drive. The grand jury often heard testimony that this equipment was an “eyesore” and looked like “junk.”

Disposal of Surplus

In the summer of 2007, the Grant district began discussions to dispose of the *Brute*, the *Phoenix*, and the boat equipment. Shortly thereafter the superintendent of Grant was removed from office and an interim superintendent was appointed. The interim superintendent tried unsuccessfully to donate the boats to the California Maritime Academy in Vallejo. The task of disposing of the boats and boat equipment was assigned to a Grant employee. This assignment was not within the normal responsibilities of the employee.

Before any marketing, Grant obtained appraisals of the boats. The *Brute* was valued at approximately \$100,000 while the *Phoenix's* value ranged from \$150,000 to \$200,000. No appraisals were obtained for the boat equipment or the disaster preparedness equipment.

The Grant employee contacted a salvage broker from Surplus City in Oroville. The grand jury reviewed documents about selling the *Brute* and *Phoenix* in an arrangement whereby the broker would receive 50% of the selling price and Grant would receive the other 50% of the selling price. However, the grand jury did not see a signed contract and therefore could not determine whether this was an approved arrangement. The broker advertised the *Brute* and *Phoenix* in trade magazines with very little response. In early April 2008, a buyer for the *Brute* was finally found and it sold for \$84,000 plus tax and shipping. The grand jury saw a copy of the \$42,000 check paid to Grant for its 50% share. The

Phoenix, on the other hand, did not generate any interested buyers. The interim superintendent agreed to donate the *Phoenix* to the Military Museum of Butte County. All surplus boat equipment associated with the *Phoenix* was sold to the museum for \$5,000. This museum is owned by the same people who own Surplus City. The reason given by the interim superintendent for the donation was that the museum would provide educational opportunities for youth.

At the same time Grant was disposing of the maritime equipment, it was also moving forward with disposing of the emergency preparedness equipment. The TRUSD staff expressed interest in occupying the warehouse on Winona Drive before the July 1, 2008 unification date. In an effort to accommodate Twin Rivers, surplus equipment was removed from the Winona warehouse yard and taken to Surplus City.

Grant ran an advertisement for an auction of surplus property to be held on April 21, 2008. The advertisement did not identify the specific property but reported that the property was located in Oroville and gave an Oroville phone number. The grand jury heard testimony from a number of former Grant employees, none of whom could confirm that an auction was held. Subsequent to the auction date and prior to the unification date, Grant received three checks from Surplus City totaling \$65,000 related to the sale of numerous items.

The Twin River Unified School District has filed a lawsuit against Surplus City, the Military Museum of Butte County, and its owners. The complaint has been amended four times. The fourth amended complaint claims damages relating to conversion, misrepresentation, negligence, and recovery of property. Twin Rivers has spent over \$300,000 on this case so far and it has not been resolved.

Surplus City in turn has filed a lawsuit against Grant claiming that they should not be held responsible if Grant did not follow proper procedures. Because Twin Rivers absorbed Grant, Twin Rivers is the defendant and paying for the defense.

Laptops

Prior to unification, Grant District had an administrative rule allowing top management to purchase their laptop computers for \$100 when retiring or leaving the district. According to witnesses, these laptops were two or more years old. Six Grant managers took advantage of this perk while others did not. A similar perk was also provided in one other district in the unification process.

After unification, Twin Rivers decided the Grant employees should not have been allowed to purchase their laptops. According to testimony given to the grand jury, Twin Rivers alleged these were new or like new and therefore valued at more than \$100. In addition, Twin Rivers alleged there might be information on those laptops that could be important to Twin Rivers. The grand jury investigation was not able to determine what information was actually on the laptops. Testimony from witnesses who had purchased the laptops stated that Grant district information was on the laptops and the same information was also on the district's server.

Twin Rivers made legal demands for the former Grant employees to return the laptops. A lawsuit was filed against some former Grant employees by Twin Rivers. As of this writing, the Twin Rivers Board of Trustees has approved several settlement agreements

with the previous laptop owners. According to court records, the stipulated awarded amount to Twin Rivers is just under \$20,000. In addition, Twin Rivers legal costs in the amount of \$10,000 will be paid by the defendants. However, plaintiff and defendants shall each bear their own respective attorneys fees incurred in this action. In the case of Twin Rivers this amount exceeds \$450,000. It is interesting to note that the former Grant superintendent was never requested to return his computer and was not asked to pay for it.

TRUSD Properties

The Twin Rivers Unified School District was created from four school districts. Twin Rivers has 57 school sites with over 30,000 students. The unification, under Measure B, included properties from the former districts. The property list includes warehouses, district offices, leased properties, owned properties, undeveloped properties and school sites.

After Measure B was passed in 2007, and the four existing school districts unified into one district, the task to find appropriate housing for the new district's staff began. In the original transition plans drawn up by community leaders and administrators, one or more of the existing district offices within the four unifying districts could have been utilized with minimal cost and effort.

Measure G, a general obligation bond in the amount of \$230M, was approved in June 2006 by the former Grant district. Measure G was intended for upgrades, renovation, repairs, and construction of a new campus. Included in these projects was the renovation of Grant's building #7, located in McClellan Park. A district office was also on the list of items to be funded by Measure G bond funds. Grant had purchased property on Bell Avenue and a full set of architectural plans had been through the approval process. The proposed building was to house the district office and a demonstration school. Additional plans were included for expanding the district office when needed.

Despite Grant having property and existing plans for a new district office, the grand jury received information that the Twin Rivers interim superintendent was negotiating in April 2008, for lease of space at McClellan Park for the Twin Rivers district office. On July 15, 2008, the board approved a 99 year lease, with an option to buy, at McClellan Park. The newly rented building consisted of 3 bays. The cost of refurbishments to this site, located on Dudley Boulevard, was over \$14M.

This decision appeared ill advised, according to testimony given. Many questions were raised as to why ready-to-go district owned properties were not considered. Members from the community and the former districts have testified that this decision has had a negative impact. No longer would economically disadvantaged communities have localized access to the district office. Parents with limited resources and dependent on public transportation will now have to travel farther to the district office.

Expert testimony on the financial impact of the Twin Rivers district office also raises several issues. Could a school district that claims financial hardship justify the cost? Could that money, which was originally Measure G bond money, be spent on repairs to aging schools? Also, why spend these funds to lease buildings when there were buildings that were already owned by Twin Rivers? For a school district that has claimed financial

distress as its rationale for closing neighborhood schools, the explanation for a leased district office appears contrived.

The former school districts each had district offices in their respective districts. Under the new TRUSD, these buildings are now being utilized for educational purposes and other programs:

- The former Rio Linda Union School District office provides additional space for a full day kindergarten.
- The former Del Paso Heights Elementary School District office is now a classroom.
- The former Grant Joint Union High School District office is home to the Twin Rivers Police Department.
- The former North Sacramento Elementary School District office provides the Twin Rivers Student Services staff an office for the North Sacramento neighborhood.

Litigation and Twin Rivers

A number of witnesses testified that Twin Rivers Unified School District spends large amounts of time and money on legal matters. Twin Rivers personnel blame the high legal costs on issues “inherited” from Grant Joint Union High School District. This “inheritance” seems to include cases already in process, as well as any other legal work that is felt to be the result of something Grant did. Other witnesses blame the legal costs on too much unnecessary litigation instituted by Twin Rivers because of an aggressive Board of Trustees and aggressive legal counsel. Examination of court records and information on legal costs provided by Twin Rivers illuminate the situation.

Legal matters for the district are mostly handled by one law firm, designated as general counsel, though other law firms are employed at various times to handle specific tasks or lawsuits. Twin Rivers appointed its general counsel at its third meeting in December 2007. This law firm continues to be legal counsel. In February 2011, Twin Rivers agreed to a contract with the general counsel for a total payment of \$1,650,000 for September 2010 through the end of June 2012, to be paid monthly as a retainer of \$75,000. The general counsel is “outside” counsel, billing the district on an hourly basis, and not an “in house” counsel that would be a direct employee, paid a salary with benefits.

Legal Costs

Information from the Twin Rivers’ vendor history file at the Sacramento County Office of Education (SCOE) indicates that in the years since unification Twin Rivers paid the following amounts in legal fees:

- Fiscal year 08/09: \$3,020,000 of which \$2,641,000 is paid to general counsel
- Fiscal year 09/10: \$2,445,000 of which \$2,137,000 is paid to general counsel
- Fiscal year 10/11: \$313,446 of which \$264,000 is paid to general counsel (figures are as of December 2010 only).

In the school year of 2008-2009, the first year of Twin Rivers existence, the district incurred legal fees for a variety of issues and matters. Twin Rivers dealt with labor negotiations in trying to bring together the labor contracts of four separate districts, construction contract negotiations on various ongoing modernization and building projects in the district, and a variety of lawsuits commonly filed against school districts such as suits by students and their parents, employment issues, and claims of civil rights violations.

Review of Sacramento County Superior Court's online records show 12 active lawsuits during 2007 of the type described above against Grant and one suit filed by Grant against the Sacramento County Office of Education (SCOE). This figure is based on court files available online. Those files appear online in 2007 and are perhaps incomplete. This report is based on the information available online. Of those suits, seven ended by the end of December 2008, another five cases ended in 2009.

The lawsuit against SCOE stems from severance packages offered to Grant administrators before July 2008. A number of administrators accepted the packages, but SCOE blocked payment. Grant filed suit against SCOE claiming that it had no authority to block payments. The case ultimately went to the California Court of Appeals that decided in 2010 that SCOE had the authority to bar the payments.

According to documents provided by Twin Rivers, the district has approximately 27 active lawsuits at the present time. These suits fall into three categories: (a) five lawsuits filed by Twin Rivers which then prompted the filing of one countersuit, one suit over the Freedom of Information Act, and one interpleader; (b) six lawsuits resulting from the cancellation of the building of East Natomas Education Complex (ENEC); (c) lawsuits filed against Twin Rivers by students or employees that are commonly filed against a school district. Two of the lawsuits were filed against Twin Rivers by former Grant District administrators who were blocked from receiving the severance packages and now seek reinstatement to their old positions and back pay. The suits were served just as this report is being written.

Lawsuits Instituted by Twin Rivers

Since the unification, Twin Rivers has chosen to file five lawsuits. Those suits are against a variety of persons or companies that worked for or with Grant district. Those suits are:

1. Twin Rivers v. California Financial Services (CFS), *et al*, is filed against the consulting company hired in 1999 by Grant district to give advice on school district and state funding, financial planning, and administrative support. The relationship of CFS with the Grant district continued until the unification and included the time during which Measure G was approved by voters in 2006. Measure G allowed for the issuance of general obligation bonds. The lawsuit alleges ten causes of action including breach of contract, fraud, conversion, and negligence. It further alleges that the defendant and a Grant district administrator "conspired" to falsify information to create enough debt to "sabotage" Twin Rivers' financial status. The suit seeks documents that are said to be withheld

- from Twin Rivers, recovery of \$94,700,000 (in the first amended complaint; later amended complaints do not specify an amount), and punitive damages.
2. *Twin Rivers v. Gayle, et al*, is filed against 17 former Grant district administrative personnel for recovery of electronic equipment, including laptop computers, and information allegedly contained on the hard drives of those laptops.
 3. *Twin Rivers v. Banks, et al*, is filed against lawyers that represented Grant district in the suit against SCOE for documents related to the severance package case. The defendants in this case have filed a counter suit, placing files into the possession of the court system.
 4. *Twin Rivers v. Whitfield* is filed against the in house counsel for Grant district for recovery of documents related to the severance package case and alleging the destruction of certain documents.
 5. *Twin Rivers v. Surplus City, et al*, is filed against the salvage company that bought used boats and equipment from Grant district, alleging that proper salvage procedures were not followed and seeking to reclaim the property. Twin Rivers is on its fourth amended complaint. The company has filed a counter suit.

Sources of Funds for Twin Rivers' Legal Matters

General Fund. Usually, legal costs are paid from the general fund of a school district. That is apparently true for most of the legal matters in which Twin Rivers is involved. The district is part of the Schools Insurance Authority (SIA), a joint powers agency that is, in part, an insurance provider for the district. In lawsuits that fall within the insurance coverage, the district pays the first \$25,000 in legal fees and SIA is to pay any remaining fees. According to Twin Rivers, ten of the active suits, including the countersuit by the salvage company, fall within SIA coverage. In all those cases, Twin Rivers is the defendant, not the party filing the suit.

Lawsuits filed by Twin Rivers are not covered by the SIA. Legal fees and costs associated with those cases are paid for by the district's general fund. The lawsuit filed against CSF is not being paid from the general fund.

According to documents provided by Twin Rivers' general counsel, as of early March 2011, the district has invested \$997,000 in legal fees, and other costs in four lawsuits that it filed. The salvage material suit, along with its accompanying counter suit, has consumed \$318,000. The District amended its original complaint four times. The amended complaints that followed actions by the defendants challenging the complaints, argue that even if the facts alleged are true, there is no legal basis upon which to recover. The suit is ongoing, as are legal fees.

The suit related to the laptops is on its second amended complaint. Legal fees on that case total \$472,000 with supplemental costs of \$12,000. The two suits for recovery of information and documents from Grant's attorneys consumed \$174,000 in legal fees with costs of \$18,000. All three of these suits are ongoing at the time of this writing, so legal fees will increase.

The grand jury is not judging the merits of these suits, but it is questioning whether the litigation is efficient and wise use of general fund money. The litigation pursuing salvage

material, laptops and their contents, and documents and other material from attorneys is costing almost \$1M so far. Investment of money in litigation in an attempt to gain money at an uncertain date in the future guarantees that legal fees and costs will be incurred. Two of these suits have had their original complaints amended from one to four times. It is unclear why these complaints were amended.

Twin River's Board of Trustees should look closely and honestly at whether a potential victory in these cases at some undefined time in the future is worth the burden on the general fund to pay these costs. The board should also ask the following questions: How much money and how much time are spent pursuing these lawsuits when there is a school district to be run? Does any of this justify the present use of general fund money? Is any use of general fund money for litigation warranted in light of the reduced amount of money available from the State of California?

Measure G Fund 24. In general, proceeds from the sale of general obligation bonds approved by voters can only be used for projects identified in the bond measure. The projects in Measure G are building, modernization and renovation projects. The voter information on Measure G itself says that sale of such bonds "...would be for the sole purpose of constructing..." projects listed on the Bond Project List. It also says the costs of the project include "...all related and incidental costs, including...other professional services." The Education Code section 15100 (h) and Government Code section 16727 suggest that expenses should be for carrying out the projects and directly related to construction or acquisition.

According to Twin Rivers' general counsel, six suits related to the ENEC project have been filed by subcontractors against the general contractor and Twin Rivers. The cost to defend these suits is being paid from "Fund 24," which holds Measure G bond money. As of this writing, the total legal fees are \$13,000. The contracts that are at issue in these cases are contracts to provide materials and/or labor to a project listed in Measure G.

The legal fees resulting from the Twin Rivers lawsuit against CFS are also paid from the Measure G Fund 24. As of March 2011, the fees amount to \$294,000. This suit is on its second amended complaint. The grand jury questions whether funding this lawsuit is a legal use of Measure G Fund 24 bond money. This is a suit of choice against a company that provided financial and facilities planning starting from 1999 until the end of Grant's existence. Does the mere mention of Measure G or the ENEC project in a complaint make a suit eligible for the use of bond funds? This is money intended for construction projects as promised to the voters who passed Measure G.

Community Relations

Testimony and documentary evidence indicates deep-seated issues were present in the four unifying school districts before unification and are clearly present now. These issues include distrust by the communities of the school board members and employees of the new district. These issues continue in spite of claims from the new district having goals to become one unified system for the benefit of all children.

Considerable frustration was expressed by various African-Americans to the grand jury regarding a letter sent to parents of sixth grade students. It was the testimony of African-American parents, community members and Twin Rivers staff that not all parents got

the letter to encourage them to consider enrolling their sixth grade students in a specific charter school. According to testimony, the school does not send letters to all sixth grade parents but only to families with students having “proficient” or “advanced” test scores. Closing the much discussed “achievement gap” of African-American children is of great interest to those who testified. This charter school states it is a non-discriminatory public school and it has raised state test scores to earn recognition for student achievement.

When the grand jury asked the responsible district administrator specific questions about this letter to sixth grade parents, the response was that over many years the practice has been to send letters to all families of sixth grade students in three areas (North Highlands, Foothill Farms, and Rio Linda). The reason offered for this was these areas are “...in reasonable geographic proximity to the charter school...” It must be noted the district acknowledges “...there was a clerical error this year when the letters were accidentally sent to all 6th grade students throughout the district...” In this case, the letters were sent to too many students. In response, the grand jury must ask why a newly formed district trying to promote unification would limit opportunities for any children, and limit opportunities for those children who traditionally have not lived in those selected areas, namely African-American children. In addition, the grand jury must ask why a district that provides very limited school busing would not consider children living outside the current “geographic proximity.” The parents of these children might be interested in the charter school as many of them drive their children to school because safe walk zones may be many miles away from the “neighborhood” schools. Further, the grand jury must ask why the district feels “too many letters” were sent out if enrollment is done in a true lottery process.

The school district denies concerns expressed to the grand jury that the charter school has been “skimming” or soliciting students who have “proficient” or “advanced” test scores. Test score information is required on the application, and according to the district, students are entered into a blind lottery process for student selection. These responses are challenged by evidence from the district to the grand jury. For example, of the 432 students at this charter school, only five students are receiving special education services. This means 1% of the current charter school students are receiving special education. According to the district’s 2010 Report to the Community, 12% of students in the district receive special education services. This means there could be about 50 special education students in the charter school.

This grand jury also interviewed members of the Hmong community within Twin Rivers. The leaders of the Hmong community sponsored information meetings regarding unification, encouraged people to vote, and offered support to a board candidate. It is now the perception of these leaders that the board member they supported is no longer interested in them as phone calls are not returned and no follow up is provided to them about their suggestions and concerns. Telephone calls to various levels of school administrators and board members are not returned, emails go unanswered and follow up to suggestions and questions offered by the Hmong community go nowhere.

These community residents report that letters from the school are sent home with children. The letters are in English and in Hmong, but the majority of Hmong parents do not read either language. Often the Hmong translations are of poor quality or written in a confusing manner. According to testimony, there has been an effort to lay off the

district's only Hmong translator. This translator is primarily located at the elementary school with the largest population of Hmong children. Parents at the school signed a petition to stop this action but it is unclear as to the future status of the translator. According to Hmong representatives, the overwhelming majority of the Hmong community listens to radio station KJAY 1430 all day, every day. This is a Hmong language station and is a source of cultural information, music and community news. It was reported to the grand jury that Hmong representatives repeatedly have given information about this station to Twin Rivers administrators at advisory meetings and in personal meetings with the superintendent but there is no response, no follow-up and apparently no interest in the district using the station to communicate with the Hmong community.

The interviews with the Hmong representatives clearly showed they are interested in their children's education. They are concerned that while many Hmong parents do not read or speak English well, teachers make responses in English and both groups do not understand each other. In the past, a translator was provided for parent conferences only if the parent asked for one. The district does not make the offer to the parent. Parents are concerned the local elementary school attended by many Hmong children will become even more crowded with the district's plan to add 7th grade students next year and 8th grade students the following year. The parents are very concerned about even more limited outside space for activities.

Hmong parents do participate on school and district advisory committees but have found their voices are not heard. One Hmong representative expressed great frustration in that after two years of trying to work with the district on advisory committees and meeting with the superintendent to develop a Saturday School for Hmong children, there has been no response. The idea for the school is based on a Saturday School for Russian and Ukrainian children currently in the district. The Hmong parents see this as unequal treatment.

In 2004, when another wave of Hmong students came to this country and settled in the Grant district, a special refugee program for Hmong students was started at Grant High School. The program was focused on a Grant Hmong student mentoring a new Hmong high school student to promote academic and social skills. The Hmong students and community regarded this as a very important and helpful program. The program was seen as a way to promote academic success, prevent gang affiliations, and prevent high school drop outs. The program has now been reduced to a short-term summer camp. Further, it was stated Hmong students do not receive the recognition given to other groups as Hmong are "culturally quiet."

The grand jury interviewed various members of the Hispanic/Latino community. One person testified to great pride in "all the inheritance from Grant (district)" and how the Grant district was making many good changes especially in the high schools. A consistent response given to the grand jury was the need for Twin Rivers to focus on students. Frustrations were shared that the board does not listen to parent or community input and it does not listen to parent advisory committees. One example given to the grand jury was the board's decision to close two schools which had been recently rebuilt and were within walking distance for many Hispanic/Latino children. Board members are perceived by this group as having no compassion and holding board meetings that

only allow a limited time for public input. Board members are regarded as showing little respect to parents.

Testimony consistently indicated that the board was not interested in the parents' suggestions or needs. For example, when elementary schools have late start days on Wednesdays, parents feel their children are put in unsafe latchkey situations as parents must leave for work while children must be left home alone, and then the children must walk long distances to school. This issue has been repeatedly shared with the board. Testimony has also been shared that more after school programs are needed by all children. A popular and successful after school program offered in the area has been partly replaced by Twin Rivers with a less popular and less successful program.

A Hispanic leader and community volunteer developed a detailed plan to offer an after school program to students at Rio Linda High School. This individual believed that the school was being treated in a secondary manner, like a "stepchild." The program was to be called "Street Law" and was to be similar to a very successful program in the Sacramento City Unified School District. This proposed program would have been open to all students and given the students opportunities for career and leadership development. According to testimony, the proposal used volunteers from a professional organization in conjunction with a law university and asked for very little district funding. There was a tentative contract of agreement drafted but the response from the superintendent was that no budget funds were available.

Members of the Hispanic/Latino community testified the district is failing English language learners especially in the areas of English, history and social studies. This failure goes beyond academic achievement as students are not exposed to the opportunities of America, to colleges and to a sense of the future. The recent decision of the board to give the superintendent a \$5,000 raise was highly frustrating to these members. This community has been hard hit in the current job market. It did not see high level administrators being cut, but report many of the lower paid Twin Rivers employees such as custodians and food service workers, often from minority groups, are having their hours reduced or jobs eliminated and these employees are often district residents. Members of the Hispanic/Latino community remember the "controlling" reputation of the current attorney for the district when employed by a former district. Views shared by the witnesses were that the attorney and two board members are now dominating Twin Rivers and fueling the old grudges with the Grant district.

Findings and Recommendations

Finding 1.0 Measure B promised the voters the new district would have a streamlined administration and the cost savings would allow for more dollars for students in the classrooms. When compared to other large school districts in Sacramento County, the grand jury has found Twin Rivers has a higher number of administrators.

Recommendation 1.1 Twin Rivers must immediately reduce the number and expense of top level administrators and put the savings into classrooms.

Finding 2.0 Measure B promised the voters the district would have an articulated pre K–12 curriculum. After three years, some curriculum has been aligned using existing materials from the four districts and is fragmented at best, with little or no social studies or science being taught in elementary schools.

Recommendation 2.1 Twin Rivers must immediately develop, fund and implement a comprehensive pre K–12 articulated curriculum plan for all core subjects, including social studies and science.

Finding 3.0 The decision to hire a superintendent without unification experience, without secondary school leadership experience and without construction management experience has impeded the unification goals of Twin Rivers.

Recommendation 3.1 Prior to the contract expiration of the present superintendent, a nationwide search should be conducted for a superintendent with the qualifications that include experience in unification, secondary school leadership and construction management.

Recommendation 3.2 Representatives from various ethnic groups, representatives from the seven voting districts and community leaders must be on the search and selection committee for a new superintendent.

Finding 4.0 The history of unification attempts and testimony to the grand jury clearly shows animosity and negativity towards the former Grant district and its employees.

Recommendation 4.1 The Twin Rivers Board and superintendent must take responsibility for creating a more diverse group of key personnel from all four of the unifying districts, including Grant.

Recommendation 4.2 The Twin Rivers Board and superintendent must take every opportunity to have constructive relationship building activities with personnel and community alike.

Finding 5.0 The Board of Trustees has acquired additional property for its district office, in the form of a 99 year lease and at a cost of \$14M, despite the availability of existing district property.

Recommendation 5.1 The Board of Trustees must better utilize existing buildings, and be more judicious in the spending of scarce district funds.

Finding 6.0 The Board of Trustees voted to stop the ENEC project resulting in approximately a \$60M closure cost.

Recommendation 6.1 Twin Rivers must immediately develop and implement a short and long term plan for the use of ENEC, as well as a timeline and budget for the project.

Finding 7.0 As of April 1, 2011, the storage and insurance costs for some building materials is \$132,000 and continues at \$3,000 per month. The security and utility bill for the closed ENEC project is \$12,500 per month. This does not include unknown amounts for storage costs of building materials in Texas.

Recommendation 7.1 The Board of Trustees should be informed of the ongoing storage costs and must immediately work to resolve this financial drain on the district.

Finding 8.0 After almost three years as a unified school district, the district has not merged equipment inventories nor has it completed a physical inventory of the four unifying districts.

Recommendation 8.1 The district must immediately complete a comprehensive physical inventory and merge equipment inventories from the four unifying districts.

Finding 9.0 In the opinion of the grand jury, the use of outside counsel hired by the Twin Rivers Board of Trustees has consumed too much general fund money.

Recommendation 9.1 The Board of Trustees must analyze and evaluate the costs of using outside counsel in comparison to the cost of hiring in-house legal staff.

Recommendation 9.2 If outside counsel is contracted to be general counsel, an annual cap or limit on legal fees must be imposed.

Finding 10.0 Twin Rivers Board of Trustees' decision to file four lawsuits against former Grant district personnel and companies that have done business with the Grant district, led to the spending of nearly \$1M of general fund money to date.

Recommendation 10.1 The Board of Trustees must conduct a monthly review of the status and costs of each lawsuit involving Twin Rivers.

Recommendation 10.2 To promote public disclosure, the Board of Trustees must direct the business services department to develop line items in the district budget to report legal fees and costs.

Recommendation 10.3 The Board of Trustees should direct its general counsel to explore submitting cases currently being litigated to binding arbitration or at least mediation for expedited resolution.

Recommendation 10.4 Before the Board of Trustees decides to initiate litigation, it must require legal counsel to submit a detailed, projected budget of legal fees and costs.

Finding 11.0 The Sacramento County Grand Jury questions whether it is illegal or, at best, ill-advised for Fund 24 bond money to be used in the litigation against a party that is not engaged in construction projects.

Recommendation 11.1 The Board of Trustees must stop using Fund 24 bond money as a source of funds for Twin Rivers v. CFS, *et al.*

Finding 12.0 According to witness testimony to the grand jury, geographic and ethnic communities are not being adequately represented by board members who are elected at large by the entire district.

Recommendation 12.1 A more equitable election process would provide that the trustees be elected directly from their individual districts rather than at large.

Finding 13.0 Many sixth grade students transitioning to middle school have not been afforded the opportunity to select from the various middle school options, because the district office has limited the invitations to special programs.

Recommendation 13.1 The Board of Trustees, using a wide variety of strategies and resources, must insure that parents of all students are made aware of all programs offered to students by the district, including those programs offered by dependent charter schools.

Recommendation 13.2 The Board of Trustees must insure all students receive fair access to all programs offered by Twin Rivers, including those programs offered by dependent charter schools.

Finding 14.0 Some community members from various ethnic groups do not believe they are respected by the Board of Trustees and the Twin Rivers Superintendent. These community members have stated that the needs and concerns they have repeatedly expressed continue to be disregarded.

Recommendation 14.1 The Board of Trustees and the Twin Rivers Superintendent should engage in active listening and consistent responsive communications, and encourage the involvement of all members of the Twin Rivers communities.

Recommendation 14.2 All parents should be informed that translators are available to parents. Teachers, administrators and other staff should use this service when scheduling appointments, meetings and conferences with non-English speaking or limited-English speaking parents.

Recommendation 14.3 Meetings, using translators, should be held throughout the district with non-English, limited-English and bilingual groups of parents to give information on how they share concerns, needs and suggestions with school personnel and board members.

Response Requirements

Penal Code sections 933 and 933.05 require that specific responses to indicated findings and recommendations contained in this report be submitted to the Presiding Judge of the Sacramento County Superior Court by September 30, 2011, from:

- **The Sacramento County Office of Education**
- **The Twin Rivers Board of Trustees**
- **The Twin Rivers Superintendent**

Mail or hand deliver a hard copy of the response to:

**Hon. Steve White, Presiding Judge
Sacramento County Superior Court
720 9th Street, Dept. 47
Sacramento, CA 95814**

In addition, email the response to Becky Castaneda, Grand Jury Coordinator, at castanb@saccourt.com